

Dear OPSEU Local President,

Through these updates, we aim to keep you informed of pension developments that affect you and your members.

## **Part-time and contract staff get immediate access to CAAT Pension starting 2014**

Earlier this year the CAAT Pension Plan governors decided to eliminate the rule that currently requires those on contract or who work other than regular full-time hours to complete 24-months of continuous service before they can choose to join the pension plan. The change, giving part-time and contract employees immediate access to Plan membership, takes effect January 1, 2014. We are busily preparing to make part-time and contract employees aware of their right to join and to help them decide if joining is right decision for them.

### **The Plan will notify all part-time and contract employees directly**

College workers who are not yet a member of the CAAT Pension Plan will receive a letter directly from the Plan later this Fall informing them of their right to enroll as of January 1, 2014. Those hired or renewing an employment contract after January 1, 2014 will be informed of their immediate eligibility at the point they receive their contract. They will also receive a follow-up notice from the pension plan.

### **Joining is an individual decision**

As good as the CAAT Pension Plan is, joining it may not be the right decision for everyone who works part time or on contract.

When the Plan governors made the decision that those who work on contract or other than regular full-time hours would be immediately eligible to enroll it was understood that membership in the Plan would still not be the best decision for some, particularly those who will not stay in the college system for long. That's why enrolment continues to be optional for part time and contract employees rather than automatic.

Whether or not joining the CAAT Pension Plan makes sense for a part-time or contract employee depends on several factors that affect the amount of pension the member could earn and whether or not they will find the contribution rates, which are tax deductible, to be affordable.

The Plan can be a good foundation of a retirement plan but it's important to consider that the amount of hours a member works is a key driver of the size of the pension benefit. Those who work a small percentage of full-time hours or have only a few short-term contracts will find the pension they can build in the Plan will be relatively small.

## **Plan will help employees to make an informed decision**

To help each employee make the decision that's best for their personal situation, the Plan will provide them with information and web-based tools. Employees will be able to estimate how much pension they can expect to build and the amount of tax-deductible contributions they would need to make each pay. Plan staff will also answer questions by phone, providing impartial information – never advice. Employees must make their own decision to ensure it is the best decision for them.

Another important reason to ensure joining the Plan is the right decision is that once they are enrolled, the employee remains a member of the pension plan and continues to make tax-deductible contributions for as long as they work at any college or other CAAT Plan employer.

If a part-time or contract employee decides not to join right away the option to enroll anytime remains open to them for as long as they remain employed in the college system.

Again, the decision is an individual one. Please encourage part-time employees and contract workers to take care to read the information they receive from the Plan, visit the Plan's website, and call the pension specialists at the CAAT Pension Plan if they have questions.